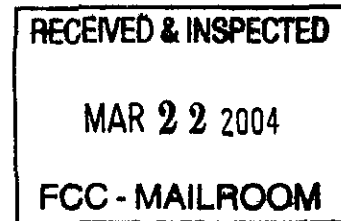


March 17, 2004

DOCKET FILE COPY ORIGINAL

FCC, Office of the Secretary  
445 12th Street SW  
Washington, DC 20554



**Reference: CC Docket No. 02-6  
Heritage Charter School**

**Subject: Request for Review**

Dear Sir or Madam:

We are requesting you to review the unfair decision of the School and Libraries Division (SLD) of the Universal Service Administration Company (USAC) demanding ZEN Computer Systems refund the money, which SLD paid for the computers, and equipments, which have been custom-built and delivered to Heritage Charter School.

The SLD letter, dated January 20<sup>th</sup> 2004, stated that their decision is based on their finding that **"Heritage Charter School was found to have returned its registered Charter in September 2000 and no students were enrolled during Funding Year 2000 to present day."**

We are surprised to hear that, but the SLD must understand that ZEN Computer Systems has nothing to do with the failure of Heritage Charter School. Unlike SLD, ZEN has no right, no power, and no reason to question about the status of Heritage Charter School. SLD had given us orders to build and deliver computers to Heritage Charter School and we did exactly as SLD wanted. If SLD did not know the school's true situation until now, how could we know about it any better?

The fact is that ZEN Computer Systems is not a big computer company selling ready-made computers like DELL or IBM. We are just a small minority owned business building "state of art" computers based on the customer's specification. That is why Mr. Don Jones knew us and wanted us to build computers for the Charter Schools. We did not know any school. Mr. Don Jones is the person who brings us the business from the schools. The following describes exactly how the business with Heritage Charter School occurred.

- 1) Mr. Don Jones came to us presenting a list of computer specifications and requested for a quote. We prepared the quote and gave it to him. It's up to him to work together with the schools and submit to SLD or whomever for funding.
- 2) SLD then ordered us to build the computers and deliver to Heritage Charter School. (Please see attachment 1 for this order.)
- 3) Once the computers were ready for delivery, we informed Mr. Don Jones and he told us where to deliver the computers. It was more difficult to contact the school personnel about this. Mr. Don Jones appears as the mastermind of all the Charter Schools deciding how the computers are placed and networked together.
- 4) After the computer were delivered, we waited for Heritage Charter School to submit the "Receipt of Service Confirmation (form 486)" to the SLD and we waited

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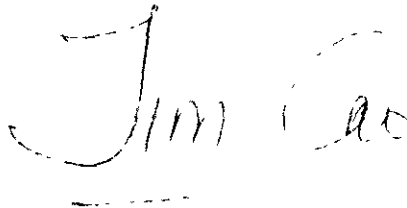
for the SLD to notify us for invoicing them. We have no power to rush anyone.  
(Please see attachment 2 for the confirmation of this step.)

In summary, we want to clarify that we did not participate in any part of the management of Heritage Charter School and we will not assume any responsibility for their failure. SLD must also be aware of the "custom built" nature of our business. No order can be canceled once the parts to build computers are ordered. That policy applies to all customers regardless of their size. In the case of Heritage Charter School, we are not responsible for the erroneous order placed by SLD and we cannot be expected to compensate for the consequence. It is not our fault to begin with and it is against the nature of our business to comply to the SLD refunding demand. The computers were built and delivered by all decisions from the SLD. The failure of Heritage Charter School has nothing to do with ZEN Computer Systems at all.

Dear Sir or Madame,

We believe in the FCC's justice to understand our neutral situation in this Heritage Charter School problem and we expect FCC to not force a small company like us suffer from the unreasonable demand of SLD. Please understand us more than what my poor English can express in this letter.

Respectfully yours,

A handwritten signature in black ink that reads "Jim Cao". The signature is written in a cursive, flowing style.

Jim Cao  
Owner,  
ZEN Computer Systems

Attachments.

- 1) The letter from SLD to order us to start building the computers
- 2) The letter from SLD to notify us their Receipt of Service Confirmation from the school.



UNIVERSAL SERVICE  
ADMINISTRATIVE CO

Box 125 - Correspondence Unit  
80 South Jefferson Road  
Whippany NJ 07981

SCHOOLS AND LIBRARIES DIVISION

FUNDING COMMITMENT DECISION LETTER

(Funding Year 3: 07/01/2000-06/30/2001)

October 13, 2000

*Attachment 1.  
SLD ordered to build computers*

Zen Computer Systems  
Jim Cao  
1100 East Airport Freeway  
Suite 101  
Irving, TX 75062-4851

Re: Service Provider Name: Zen Computer Systems  
Service Provider Identification Number: 143009580

Thank you for participating in the E-rate program for Funding Year 3 (07/01/2000 - 06/30/2001). This letter is your notification of our decision(s) regarding applications that listed your company's Service Provider Identification Number (SPIN) as providing service(s) eligible for discounts.

As was the case in previous program years, there are a number of steps that need to be completed in order to implement E-rate discounts. In an effort to expedite the process of implementing discounts, we are providing detailed information regarding the status of your customers' requests for discounts in the form of a series of Funding Commitment Reports. Attached are reports of our decisions made for customers listing your SPIN in their Form 471 applications. Each report contains detailed information extracted from the Applicant's Form 471 as well as an explanation of our decision regarding their Discount Funding Request.

NEXT STEPS

Once you've reviewed this letter, we urge you to contact your customers to begin any necessary arrangements regarding start of services, billing of discounts or any other administrative details for implementation of E-rate services. As a reminder, only services delivered and installed July 1, 2000, to June 30, 2001, are eligible for these discounts. Applicants have been encouraged to contact you regarding their E-rate commitments. After Applicants have received their Funding Commitment Decision Letter, they will be required to file an FCC Form 486, "Receipt of Service Confirmation Form." We will send you a Form 486 Notification Letter when we receive a Form 486 from Applicants who cite your SPIN, and will also provide guidance on how to invoice the Schools and Libraries Division (SLD) for payment on discounts for services listed in the respective Form 486. An appeal of the funding decisions detailed in a Funding Commitment Decision Letter must be received within 30 days of the date on the Funding Commitment Decision Letter. (Information on the appeal process can be found in the "How to Apply, Step-by-Step" area of the SLD web site, [www.sl.universalservice.org](http://www.sl.universalservice.org)) Therefore, prompt communication with your customer is essential.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the universal service mechanisms for schools and libraries. FCC Form 471 Applicants who have received funding commitments continue to be subject to audits and other reviews that SLD or the Federal Communications Commission may undertake periodically to assure that funds have been committed and are being used in accordance with all such requirements. If the SLD subsequently determines that its commitment was erroneously issued due to action or inaction, including but not limited to that by SLD, the Applicant, or Service Provider,



UNIVERSAL SERVICE  
ADMINISTRATIVE CO

Box 125 Correspondence Unit  
80 South Jefferson Road  
Whippany, NJ 07981

SCHOOLS AND LIBRARIES DIVISION

FORM 486 NOTIFICATION LETTER  
(Funding Year 3: 07/01/2000 - 06/30/2001)

December 13, 2000

Zen Computer Systems  
Jim Cao  
1100 East Airport Freeway  
Suite 101  
Irving, TX 75062

*Attachment 2.*

*Receipt of Service.*

Re: Service Provider Name: Zen Computer Systems  
Service Provider Identification Number: 143009580

This letter is to notify you that the Schools and Libraries Division (SLD) of the Universal Service Administrative Company has received and accepted FCC Form(s) 486 (Receipt of Service Confirmation Form) from Billed Entities who filed FCC Form(s) 471 listing your company's Service Provider Identification Number (SPIN). You may now begin to submit invoices to the SLD for the period July 01, 2000 through June 30, 2001, for the services covered by the Form(s) 486. You may submit invoices only after you have provided the service and billed the applicant.

PURPOSE OF THIS FORM 486 NOTIFICATION LETTER

This "Form 486 Notification Letter" informs you that one or more Form(s) 486 listing your company as a service provider has been received by the SLD. As described in the "Explanation of Information Provided" below, this letter contains several important pieces of information from each such Form 486. In general, the initial Form 486 notification letter sent to you for a particular funding request number (FRN) will set forth the date that services included within that particular funding request began to be delivered to the Applicant or are expected to be delivered. (An FRN is the number assigned to an Applicant's request for discounts on a set of services identified in a single page on the 471 application, Block 5.) This date is the earliest date for which services provided by your company are eligible for reimbursement of discounts from the SLD and the Universal Service Administrative Company (USAC) and for which invoices will be accepted by the SLD for discounts.

Please note that SLD encourages service providers to work with their customers to establish whether discounts will appear on bills or whether customers prefer a reimbursement process. SLD will process either reimbursements based on Form 472 (BEAR) or discounts based on Form 474 (SPIF) for a given FRN. Once established, however, the selected process--SPIFs or BEARs--must be consistently used for the entire Funding Year.

NOTE: SLD will base the billing mode (reimbursement or discounting) on the first invoice type that it receives. It is therefore imperative for the service provider and the customer to establish together the preferred invoicing mode.